



## NWT WAGE TOP-UP PROGRAM IMPLEMENTATION POLICY

### 1. INTRODUCTION

To support low income workers during the Covid-19 pandemic, the GNWT has implemented the Wage Top-up program that provides temporary financial assistance to NWT workers aged 15 or over and earning less than \$18 per hour. This financial relief is a taxable benefit for the recipient. The program is delivered to eligible employees through a partnership with businesses.

Originally intended for April 1, 2020 to July 31, 2020 the program was extended three times with the current expiry date of August 31, 2021.

### 2. PROGRAM ELIGIBILITY

Subject to Section 3, the NWT Wage Top-up program is available to all NWT residents who

- are 15 years of age or older; and,
- earn less than \$18 per hour but equal to or above the minimum wage of \$13.46 per hour as prescribed in the *Employment Standard Regulations*.

The top-up is based on the number of hours the employee worked during the month, excluding those hours for which the employee received overtime pay pursuant to the NWT *Employment Standards Act* or the Collective Agreement between the business and its employees if this Agreement exists.

There are situations where, besides their hourly wages, workers may also receive commissions based on sales or services rendered as stipulated in the employment contract. These extra payments are considered employee wages and therefore must be factored into the determination of the overall hourly wage rates earned by these employees.

### 3. PROGRAM INELIGIBILITY

The Wage Top-up program is not available to:

1. Students who, as part of their school curriculum, are employed in a work program, as referred to in section 3 of the *Employment Standard Regulations*;
2. Self-employed individuals;
3. Individuals who earn employment income solely from commissions; and,
4. Shareholders of an incorporated business who own more than 40 per cent of the common shares of the business and who are also employees of the business.

### 4. PROGRAM DELIVERY – BUSINESS PARTICIPATION

The GNWT encourages the business community to help deliver the top-up program to eligible



NWT workers during the pandemic on a voluntary basis. In return for this participation, the business will:

- receive one-time compensation of \$50 per eligible employee for the period between April and June 2020;
- receive one-time compensation of \$50 per eligible employee for the period between July and September 2020;
- receive one-time compensation of \$50 per eligible employee for the period between October 2020 and February 2021;
- receive one-time compensation of \$50 per eligible employee for the period between March 2021 and August 31, 2021; and
- be compensated for the business expense of employer share of CPP and EI relating to the employee's wage top-up.

As the wage top-up is based on the number of hours an eligible employee actually worked during the month, excluding those hours where the employee received overtime pay, the business is required to submit an application on behalf of its employees with the following information to the GNWT Department of Finance, Fiscal Policy Division for each month of the program:

1. Name of the employee;
2. Employee's hourly wage rate; and,
3. Total number of hours worked by the employee at the regular wage rate during the month.

The information received will form the basis for the calculation of the wage top-up for each eligible workers covered by the application. The payment to the business will consist of:

- Total wage top-ups for all eligible employees;
- Total CPP and EI employer shares on the top-ups; and,
- One-time compensation of \$50 per eligible employee according to the program policy.

When the payment is issued, the business will receive a letter informing them of the payment as well as the wage top-up amount for each eligible employee for the month, and the employer is required to distribute the top-up to each eligible employee according to their entitlement in the business' next available payroll cycle.

At the end of the calendar year, the participating business is required to include in the employee's T4 the wage top-up received during the year as employment income.

## **5. PROGRAM DELIVERY – NON-BUSINESS PARTICIPATION**

If the business declines to participate in the program, employees of this business can apply for the



wage top-up directly, subject to Program Eligibility specified in section 2.

Starting March 1, 2021 employees from non-participating business may apply for the benefit covering the period from April 1, 2020 to February 28, 2021. The employee needs to fill out only one NWT Wage Top-Up Application for Individual Employees for this period.

The following information is required in the application:

- Employee name, social insurance number, mailing address, email address and phone number. **To ensure the confidentiality of the employee's SIN, the employee will be contacted by Fiscal Policy staff directly for this information and age verification;**
- Employer information;
- Pay period, hourly pay rate and number of hours worked during this pay period; and
- Copies of pay slips to substantiate the claim.

The top-up benefit is determined based on the information the employee provides, and the payment will be subject to 10% income tax withholding. The employee also receives a letter informing them of the benefit and the tax withheld.

The application process for the benefit covering the period from March 1, 2021 to August 31, 2021 will be announced at a later date.

At the end of the calendar year, the GNWT will issue the employee a T4A showing the wage top-up benefit and the amount of income tax withheld.

## 6. PROGRAM TERMINATION

When the program is terminated, participating businesses will:

- Receive a final letter summarizing the total grants, and their compositions, paid to the business; and,
- Be advised of the review process to ensure program integrity.

For employees from non-participating businesses who applied for the benefit themselves, no follow-ups may be required as the benefit was based on the submitted copies of the pay slips.

## 7. PROGRAM CONTACT FOR INFORMATION

For information related to the Wage Top-up program, businesses and employees can contact the GNWT, Department of Finance at 867-445-8047 or by email at [NWTwagetopup@gov.nt.ca](mailto:NWTwagetopup@gov.nt.ca), or visit the GNWT's web site at

<https://www.fin.gov.nt.ca/en/resources/nwt-wage-top-program-policy>